

Report on Selected Appropriations as Requested by the Legislative Finance Committee for 12/9/2013

Prepared by the Department of Public Health and Human Services

Medicaid Provider Rate Increases or Continuation

2% provider rate increases - \$13.4 million

- Implemented with a 7/1/2013 effective date for all Medicaid providers
- Appropriations and related expenditures are not tracked separately
- Provider rate increases were calculated in a manner that ensures the entire appropriated dollar amount will be spent

Additional rate increase for Developmental Disability (DD) services of 2% - \$2.0 Million

- Implemented with a 7/1/2013 effective date
- Appropriations and related expenditures are not tracked separately
- Provider rate increases were calculated in a manner that ensures the entire appropriated dollar amount will be spent

Children's mental health case management - \$2.8 million

- Rate increase implemented with a retroactive 7/1/2013 effective date after CMS approval of the State Plan was received
- Appropriations and related expenditures are not tracked separately
- Provider rate increases were calculated in a manner that ensures the entire appropriated dollar amount will be spent

Continuation of previously OTO appropriation to maintain direct care worker wage increases in services administered by the Senior and Long Term Care Division (SLTC) - \$5 million

- Appropriations are no longer OTO in the 2014/2015 biennium, however they are restricted
- The nursing facility direct care wage funding distribution schedule is as follows. 1st distribution occurred in August 2013 in the amount of \$1,672,331. Second distribution will occur in December 2013, and the final distribution will occur in June 2014

- Community programs direct care wage funding distribution schedule is as follows: 1st distribution will be in December 2013, second distribution will be in January 2014 and the third distribution will be in April 2014
- Appropriations and related expenditures are tracked separately
- Appropriations will be fully spent
- Consideration being given to rolling these wage funds into the reimbursement methodologies in each program area starting in 2015

Service Expansion, Maintenance or Restoration

Partially restore reductions in SLTC community based waiver services- \$.8 million

- These funds have been distributed as part of the total waiver funding starting 7/1/2013
- Expenditures will be tracked and recorded against the separate appropriation during SFY 2014
- The appropriations are projected to be fully spent

Maintain meal preparation funded from one-time appropriations for persons in the SLTC community based waiver - \$.8 million

- Funds are included in the Home Based programs and not the community waiver program in the 2014/2015 biennium
- Funds have been distributed as part of the total Home Based funding starting on 7/1/2013
- No reductions to meal preparation has occurred in this program, as such this appropriations will be fully spent during the biennium
- Expenditures will be tracked and recorded against the separate appropriations during SFY 2014

Serve 50 additional persons in the SLTC community based waiver - \$.5 million

- Funding equivalent to approximately 34 waiver slots was distributed in the HCBS waiver program in August 2013
- Funds are expected to be fully spent and will serve approximately 50 persons due to turnover in these slots during the year
- Expenditures will be tracked and recorded against a separate appropriation during SFY 2014.

Move 24 individuals per year from the Montana Developmental Center (MDC) to community services - \$2.1 million

- Individuals continue to be moved from MDC to community services
- Nine individuals moved since 7/2013
 - 6 individuals discharged
 - 3 individuals placed with other providers in pre-placement status (Pre-placement status is a trial in the community or another facility for a set number of days prior to formal

discharge from MDC. If the placement is successful, the client is discharged from MDC. If the placement is not successful, MDC takes the client back. One of these three pre-placements failed and the client returned to MDC)

- Appropriations and related expenditures are tracked separately
- Appropriations are projected to be fully spent

Move 10 children per year from the waiting list into DD services - \$168,000

- As of July 1, 2013, our approved waiver with CMS has changed the way that children are screened for and receive waiver slots. Screening is now done based on level of need, not time on the waiting list
- Four children have been identified for placement into DD services that will be funded partially or fully with these funds so far. 10 to 15 children will be placed into DD waiver services throughout the year depending on the cost of the children being served.
- Appropriations and related expenditures are tracked separately
- Appropriations are projected to be fully spent

Room and Board for children's mental health - \$.65 million

- This additional Room & Board appropriation is an increase to the current room and board spending that has been in place for a number of years
- The appropriation is being used to expand eligibility for room and board payments on a sliding fee scale for families up to 400% of Federal Poverty Level (FPL)
- Administrative Rule filed with an effective date of 11/15/13
- Expenditures will be tracked and recorded against a separate appropriation
- Appropriations are projected to be fully spent

Community First Choice

A new Medicaid entitlement service called Community First Choice (CFC) is funded with an enhanced federal match that is 6% greater than the regular match rate - \$6.3 million.

- This program refinances most of the current State Plan Personal Assistance program into a new state plan option of Community First Choice
- The total refinanced funding available for CFC in SFY 2014 is \$32.9 million of total funds
- State has worked with the CFC Advisory Council members to craft the design of the CFC option through several meetings from July – Sept.
- State has worked with Centers for Medicare and Medicaid (CMS) staff in an informal process to develop the framework for the State Plan Amendment (SPA) that must be submitted and approved for CFC to be available in Montana
- The target for the SPA submission to CMS is December 2013, with a retroactive effective date of October 1, 2013 if the plan is approved.
- Legislative Appropriation and EPP package was developed with the start date of October 1, 2013

- State has worked with Xerox to develop the MMIS tracking and reporting to be able to capture the claims for CFC for reporting and claiming at the higher enhanced Medicaid match
- Program is not yet implemented until the CMS approval has been received, which could be 90 days or more from the submission of the SPA.
- If SPA is approved the State will capture claims that meet the CFC criteria retroactively to the date of the approved SPA (10/1/2013) for those individuals that meet the base CFC criteria (Institutional I Level of Care Eligibility and have a person centered plan).
- Those who do not have a person centered plan will move into CFC starting on or after 1/1/14 when the person centered plan is developed.

Money Follows the Person

Funding from a five year federal grant called Money Follows the Person (MFP) to facilitate the transition of persons from facility based care to independent living situations in the community, with a 50% reduction in the state Medicaid match for the first year of services, which can include intensive services to help the person transition - \$1.2 million

- Money Follows the Person Project Director was recently hired with a start date of 12/2/2013
- Project Director will develop position descriptions and hire the Transition Coordinator and the Housing Coordinator to begin moving individuals under MFP
- To date there have been no transitions under MFP
- State will begin identifying and targeting transitions after January 1, 2014 in all of the targeted program areas.
- State has worked with Xerox to develop the MMIS tracking and reporting to be able to capture the claims for MFP for tracking, reporting and claiming at the higher enhanced Medicaid match for 365 days after a person transitions into an approved community placement
- State has discussed with CMS the process of revision of the MFP budget due to the start date of transitions after January 2014.
- CMS will approve a budget modification and modification to the number of individuals that will be able to transition in each of the targeted populations in order to move some of the budget from the first year of the grant to subsequent grant years to accommodate the start date of the transitions. This will preserve grant dollars for later years when the grant is fully operational.
- Montana's ramp up to starting the MFP transitions is similar to many states experiences in bringing up new MFP programs; CMS has no concerns with the timeline that the state is on relative to this new program.

Expansion of the Basic/HIFA Medicaid research and demonstration waiver

The Basic/HIFA Medicaid research and demonstration waiver for adults with a serious and disabling mental illness will be expanded to serve an additional 1200 people with severe depression or who are currently on the waiting list. Currently 800 people with a diagnosis of schizophrenia, schizo-affective disorder, or bipolar are served.

- The waiver amendment has been submitted to CMS and we are waiting for final approval.
- Target date for implementation is February 2014.

- People currently being served with Mental Health Services Plan funds will move into this Medicaid waiver. General fund from the Mental Health Services Plan will become the match for federal Medicaid funds for these 1200 people
- This expansion of the HIFA waiver will provide a physical health benefit as well as a mental health benefit to 1200 additional people. Studies have shown that people with serious mental illness have a higher incidence of serious physical illness that left untreated decreases their quality of life and average life span.
- Expansion will allow MHSP funds to be used as match for federal Medicaid funds. The remaining MHSP funds will be available for those people on the MHSP program that do not qualify for the Medicaid waiver.